

CLIENT STATEMENT For the Period August 131, 2012

MorganStanley
SmithBarney

Activity

Active Assets Account WALDYR DA SILVA PRADO NETO
9362-670

REDACTED

REALIZED GAIN/(LOSS) DETAIL(CONTINUED)

SHORT-TERM GAIN/(LOSS)(CONTINUED)

| Security Description | Date Acquired | Date Sold | Quantity | Sales Proceeds | Orig / Adj Total Cost | Realized Gain/(Loss) | Comments | | |
|--------------------------------|------------------|--------------|-------------|-------------------|--------------------------|-------------------------|-----------|----------|--|
| BON-TON DEPT | 10/14/14 | 3-15-14 | 03/09/12 | 08/17/12 | 2,743,000 | 19,913.86 | 18,860.09 | 1,053.77 | |
| BIA BANK JSC | 7/20/12 | 7-01-25 | 03/27/12 | 08/16/12 | 30,000,000 | 26,319.00 | 26,555.00 | 1236.00 | |
| DEUTSCHE BK CONT CAP III 7.60% | 10/14/11 | 08/24/12 | 100,000,000 | 4,494.00 | 26,005.00 | (21,511.00) | | | |
| EAGLE HOSPITALITY PTYS 8.25A | 10/12/11 | 08/17/12 | 5,000,000 | 129,983.58 | 120,340.00 | 9,643.58 | | | |
| OCEAN RIG UDW INC | 03/20/12 | 08/17/12 | 400,000 | 723.98 | 1,199.00 | (475.02) | | | |
| | 11/04/11 | 08/16/12 | 34,000 | 480.50 | 513.87 | (33.37) | | | |

Short-Term This Period

\$302,340.59 \$309,322.67 \$(6,982.08)

Short-Term Year to Date

\$302,340.59 \$309,322.67 \$(6,982.08)

MISSING COST

| Security Description | Date Acquired | Date Sold | Quantity | Sales Proceeds | Orig / Adj Total Cost | Realized Gain/Loss | Comments |
|----------------------|------------------|--------------|----------|-------------------|--------------------------|-----------------------|----------------|
| ALLIANCE BANK | 10/1/2 | 3-25-17 | 08/21/12 | 66,916,000 | 57,709.05 | N/A | |
| ALLIANCE BK REG S | 4,700 | 3-25-20 | 08/21/12 | 71,712,000 | 47,557.13 | N/A | |
| BIA BANK JSC | 7,200 | 7-01-25 | 08/21/12 | 13,480,000 | 668.00 | N/A | Please Provide |
| BIA BANK JSC | 10,304 | 7-01-18 | 08/22/12 | 59,494,000 | 8,918.10 | N/A | Please Provide |
| BIA BK JSC | 000 | 6-30-20 | 08/21/12 | 122,509,000 | 9,212.18 | N/A | Please Provide |

Missing Cost This Period

\$124,064.46 N/A N/A

Missing Cost Year to Date

\$124,064.46 N/A N/A

Net Realized Gain/(Loss) This Period

\$1,176,419.92 \$1,064,234.86 \$(111,879.40)

Net Realized Gain/(Loss) Year to Date

\$1,205,357.76 \$1,093,906.81 \$(112,613.51)

New Treasury regulations require that we report your adjusted cost basis and classify the gain or loss as either long-term or short-term on the sale of covered securities acquired on or after January 1, 2011. These regulations also require that we make basis adjustments due to wash sales, certain corporate actions and transfers by gift or inheritance, which will be reflected on your Form 1099-B. This section may not reflect all of the basis adjustments we are required to make for tax reporting purposes. The information in this section is provided for informational purposes only and should not be used in the preparation of your income tax returns. Please refer to the Disclosures section of this statement for additional information.

CLIENT STATEMENT | For the Period August 13¹, 2012

Messages

Active Assets Account WALDYR DA SILVA PRADO NETO
9362-670

MorganStanley
SmithBarney

REDACTED

Notice Regarding the Order Protection Rule

The following is being provided to you pursuant to FINRA Rule 5320, the Order Protection Rule, a copy of which can be obtained at www.finra.org/.

Consistent with our current practices and with the exceptions permitted under FINRA Rule 5320, we and our trade routing destinations may trade principally at prices that would satisfy your equity trading order through our and their use of internal controls, such as information barriers, that operate to prevent a trading unit that handles principal positions from obtaining knowledge of customer orders handed by a separate trading unit.

With respect to certain DNQ Held Large orders (orders for more than 10,000 shares and \$100,000), the same internal controls may not be available. For these orders you may instruct us that you do not wish us or our routing destinations to trade principally along side your order. Such instruction will limit the range of execution alternatives that we are able to offer.

Additional information regarding the handling of your equity orders and our business practices in relation to the Order Protection Rule is available online at www.morganstanleyindividual.com/customerservice/disclosures/.

| | | | | |
|----------------------|------------------------|-----------------------|-------------------|----------------------|
| PERSONAL ACCOUNTS | RETIREMENT ACCOUNTS | EDUCATION ACCOUNTS | TRUST ACCOUNTS | BUSINESS ACCOUNTS |
|----------------------|------------------------|-----------------------|-------------------|----------------------|

CLIENT STATEMENT For the Period August 1st, 2012

Disclosure

**Morgan Stanley
Smith Barney**

Errors and Inquiries

If you do not understand an entry on your statement or suspect an error was made, it is essential that you immediately contact the manager of the office servicing your account. Oral communications regarding any inaccuracy or discrepancy in this statement should be re-confirmed in writing to further protect your rights, including rights under the Securities Investor Protection Act (SIPA). Except as provided in your account documentation, we will consider your statement to be correct unless we receive a written inquiry from you about the suspected error within 10 calendar days from the day on which you received your statement. It is your responsibility to review your statement promptly and to seek immediate clarification about entries that you do not understand. Please see your account documentation for special rules regarding your rights and responsibilities with respect to erroneous electronic fund transfers, including a description of the transfers covered.

Questions?

Questions regarding your account may be directed to either your Financial Advisor or the Branch Manager for the branch office where you maintain your account. If you require further assistance, your inquiries may also be directed to Client Service at (800) 869-3326 or you may contact the Legal and Compliance Division at (914) 225-5870 with any account-related concerns.

Account Valuation

Account values are computed by adding (1) the market value of all priced positions and (2) market values provided by pricing services and/or outside custodians, as applicable for other positions, and by adding any credit or subtracting any debit to your closing cash, money account and/or deposit balance. Cash, Deposits and Money Market Funds are displayed on a settlement date basis, and other positions are displayed in your account on a trade date basis. The value of fixed income positions in summary displays includes accrued interest in the totals. In the Holdings section, fixed income market value and accrued interest are also displayed in separate columns. Accrued interest is the interest earned but not yet paid on the bond since its last interest payment. In most cases, it is calculated from the date of the last coupon payment (or dated date) through the closing date of the statement, based on information provided by the issuer. Your closing cash, money market fund and/or deposit balance reflects the net month end balance for these positions. Global Currencies deposits are reflected in US Dollars as of the statement end date. The covered by SIPC protection. We may include information about these

Annual Percentage Yield (APY) for deposits represents the applicable assets on this statement, solely as a service to you and are not rate in effect for your deposits at the statement ending date. The month-end APY may be different than that which was in effect during the statement period. For current Bank Deposit or Money Market Fund securities yields, go to <http://www.morganstanleyindividual.com/AccountOptions/ActiveAssets/features>

Additional IRA Information

IRA contributions are subject to IRS eligibility rules and regulations. The "Max. Individual Contributions Allowed (by SSN)" reflects the annual limit on contributions that you as an individual can make to IRAs (Traditional, Roth, SEP, and SARSEP) under the Internal Revenue Code. The limit applies on a per person basis, not per account. The Contributions information included in this statement reflects contribution information for a particular account, without reference to any other IRA.

You cannot make an individual contribution to a Traditional IRA for the year in which you attain age 70 1/2 or any later year. You should check with your tax advisor to verify how much you can contribute and whether or not the contribution will be tax deductible.

The categorization of any amounts in this statement as Individual Deductible or Individual Non-Deductible is based upon information provided by you, and is included for your convenience. Please contact your Financial Advisor if this information is incorrect. The information included in this statement is not intended to constitute tax, legal or accounting advice.

The account value used for your RMD calculation is based on your unpaid interest. The account value including accrued but unpaid interest.

Availability of Free Credit Balances and Financial Statements

Under the customer protection rules of the SEC 17 CFR 240.15c2-2, Morgan Stanley Smith Barney LLC may use free credit balances as adjustments to cost basis occurring after the date of this statement in your account which are payable to you on demand. In the ordinary course of its business, we provide summary Morgan Stanley Smith Barney LLC and Morgan Stanley & Co. LLC financial statements to you.

Certain Assets Not Held At Morgan Stanley Smith Barney LLC
You may purchase certain assets through us that may be held at a financial institution other than Morgan Stanley Smith Barney LLC. We may include information about these Investment Objectives

responsible for information (including valuation) derived from you or another external source. Generally, any financial institution that holds securities is responsible for providing taxable year-end reporting (1099s) and separate periodic statements, which may vary from our networked mutual funds. Morgan Stanley Smith Barney LLC performs all year-end tax reporting (1099s). Under certain circumstances, such as IRA accounts, we perform all tax reporting.

CLIENT STATEMENT | For the Period August 131, 2012

Morgan Stanley
Smith Barney

Disclosure(Continued)

2008. For more information visit www.fdic.gov/igp. The FDIC guarantee refers to the timely payment of interest and principal only. Guarantees do not eliminate market risk. Not all senior unsecured debentures issued within the program time frame by eligible participants will qualify for the FDIC guarantee.

Security Measures
This statement features several embedded security elements to safeguard its authenticity. One is a unique security mark—a blue rectangle printed in heat-sensitive ink on the back side of every page. When exposed to warmth, the blue rectangle will disappear, and then reappear.

SIPC Protection
Securities and cash held in your Morgan Stanley Smith Barney account(s) are protected by a combination of coverage provided by the Securities Investor Protection Corporation (SIPC), a non-profit organization created by an Act of Congress, and additional protection purchased from a private insurer by Morgan Stanley Smith Barney (Excess of SIPC). SIPC protects up to \$500,000 of each client's securities, of which up to \$250,000 may be uninvested cash. SIPC and Excess of SIPC apply only to securities and cash in the exclusive possession and control of Morgan Stanley Smith Barney and do not protect against losses due to market fluctuations. Please be advised that you may obtain information about SIPC, including the SIPC Brochure, by contacting SIPC at 1-202-371-8300 or by visiting www.sipc.org.

Special Considerations Regarding Structured Products
Structured Products are complex products and may be subject to special risks, which may include, but are not limited to: loss of initial investment; issuer credit risk and price volatility resulting from any actual or anticipated changes to issuer's and/or guarantor's credit ratings or credit spreads; limited or no appreciation and limits on participation in any appreciation of underlying asset(s); risks associated with the underlying reference asset(s); no periodic payments; call provisions; interest rates and/or yield compared to conventional debt with comparable maturity; unique tax implications; limited or no secondary market; and conflicts of interest due to affiliation, compensation or other factors which could adversely affect market value or payout to investors. In addition, investors should consider the concentration risk of owning the related security and their total exposure to any underlying asset. Structured Products may not perform in a manner

consistent with the statement product category where they appear and (excluding BDPs and MMFs). Trades that have not settled as of therefore may not satisfy portfolio asset allocation needs for that statement month end and will also be displayed in the ☐ Unsettled category. Estimated accrued interest, estimated annual income and estimated yield for structured products with a contingent income feature, including Range Accrual Notes and Contingent Income Notes, assume optimal performance of the underlying asset(s) and payment in full of all contingent interest. However, contingent interest is only paid if the specified accrual conditions are met during the relevant observation period. Actual accrued interest, annual income and yield will be dependent upon the performance of the underlying asset(s) and may be significantly lower than the estimates shown. For more information about the risks specific to your Structured Products, you should contact your Financial Advisor.

Under Federal Income Tax Law, Morgan Stanley Smith Barney is required to report the gross proceeds of sales transactions (including entering into short sales) to you on Form 1099-B by February 15 of the year following the calendar year of the transaction. For the sale of certain securities acquired on or after January 1, 2011, we are required to report additional transaction information on Form 1099-B. Your Form 1099-B information for the calendar year should be exclusively relied upon for the purpose of filing your tax return for the year. Under U.S. Internal Revenue Service regulations, if you have not provided us with certification of either U.S. or foreign status on an appropriate Form W-9 or W-8, your accounts may be subject to either 28% back up withholding or 30% nonresident alien withholding, as applicable, on payments made to your accounts.

Total Income (This Year/This Period)
Total income as used in the income summaries, represents dividends and/or interest on securities we receive on your behalf and credit to your account(s) during the calendar year. We report dividend and interest distributions and taxable bond interest credited to your account to the Internal Revenue Service. The totals we report may differ from those indicated as "This Year" figures on the last statement for the calendar year. In the case of Real Estate Investment Trusts (REITs), Master Limited Partnerships, Regulated Investment Companies and Unit Investment Trusts, some sponsors may reclassify the distribution to a different tax type for year-end reporting (1099).
Transaction Dates and Transaction Conditions
All activity displays transaction date and settlement date. Securities transactions are included on this statement on a trade date basis.

| 1 | A | B | C | D | E | F | G | H | I | J | K | L |
|----|-------------------------------|------------|-----------------|------------------|----------|--|-----------|-------------|-------------|---------------|-----------|-------------|
| 1 | Activities 126 transactions | | | | | | | | | | | |
| 2 | ACCOUNT | TRADE DATE | SETTLEMENT DATE | ACTIVITY | QUANTITY | DESCRIPTION | SYMBOL/CU | PRICE (\$) | AMOUNT (\$) | BALANCE (\$)* | COMM (\$) | TYPE |
| 3 | 3362 | 09/04/2012 | 09/04/2012 | Dividend | | AGIC CONV & INCOME FD II COM Ref: 24808000 SEC ID: A99XL | NCZ | 680.00 | | 1,180.83 | | Cash |
| 4 | 3362 | 09/04/2012 | 09/04/2012 | Online Transfer | | FUNDS TRANSFERRED CONFIRMATION # 4838062 TO 658-9297 Ref: 24838062 | | | -96,000.00 | 500.83 | | Cash |
| 5 | 3362 | 08/31/2012 | 08/31/2012 | Dividend | | FIFTH STREET FINANCE CORP COM Ref: 24406000 SEC ID: CCE35 | FSC | 574.80 | | 96,500.83 | | Cash |
| 6 | 3362 | 08/31/2012 | 08/31/2012 | Dividend | | GAS NATURAL INC COM Ref: 24401500 SEC ID: AW11N | EGAS | 67.50 | | 95,926.03 | | Cash |
| 7 | 3362 | 08/31/2012 | 08/31/2012 | Margin Interest | | INTEREST THRU 08/21/12 Ref: 24479476 | | -436.26 | | 95,858.53 | | Long Margin |
| 8 | 3362 | 08/30/2012 | 08/30/2012 | Interest | | CITIBANK N.A. (Period 08/22-08/30) Ref: 24350130 SEC ID: 00370 | CITNA | 0.79 | | 96,294.79 | | Cash |
| 9 | 3362 | 08/30/2012 | 12/31/9999 | Name Change To | | KAZKOMMERTSBANK REG S RATE:BZ/B+ 7.500% DUE:2016-11-29 Ref: 24354622 SEC ID: C8C66 | Y4593EAHO | | | 96,294.00 | | Cash |
| 10 | 3362 | 08/30/2012 | 12/31/9999 | Name Change From | | KAZKOMMERTS INTERNATIONAL BV REG S *DUPE SETUP USE C8C66* RATE:BZ/B+ 7.500% DUE:2016-11-29 Ref: 24354621 SEC ID: C6Y5K | N48272AL7 | | | 96,294.00 | | Cash |
| 11 | 3362 | 08/27/2012 | 08/27/2012 | Dividend | | ARMOUR RESIDENTIAL REIT INC Ref: 24317000 SEC ID: C1M50 | ARR | 1,700.00 | | 96,294.00 | | Cash |
| 12 | 3362 | 08/27/2012 | 08/27/2012 | CASH TRANSFER | | FUNDS TRANSFERRED CONFIRMATION # 4641676 TO 658-19292 Ref: 24041676 | | -428,747.33 | | 94,594.00 | | Cash |
| 13 | 3362 | 08/24/2012 | 08/29/2012 | Sold | | BTA BANK JSC RATE:C/N/A 7.200% DUE:2025-07-01 Ref: 237ETBD8 SEC ID: BC7U2 | Y0994HAN3 | 4.50 | 4,494.00 | 523,341.33 | | Cash |
| 14 | 3362 | 08/22/2012 | 08/27/2012 | Sold | | BTA BANK JSC RATE:CA/N/A 10.750% DUE:2018-07-01 Ref: 23531715 SEC ID: A225M | 05574YAA8 | 15.00 | 9,912.97 | 518,847.33 | | Cash |